

REMARKS

All of the claim rejections rely on the cited reference to Johnson et al. (U.S. 5,001,554). Claims 7-8 are rejected under 35 U.S.C. 102(e) as being anticipated by Johnson et al. Claims 9 and 10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Johnson et al. in view of Tindell. Applicant respectfully submits that the claims are condition for allowance and that the rejection is based on a wrong understanding of the teachings of Johnson.

Johnson does not teach video on demand. Johnson does not enable a user to buy a program and have that program sent to the user's television. To the contrary, Johnson merely discloses pay-per-view in which a user may buy an opportunity to view one of the premium channels already being sent to the user's terminal.

Johnson describes premium channels. When a premium channel which has not been purchased is selected by a user, a special text screen is displayed by the terminal on the television. (Johnson, col. 14, l. 10-13). When a premium channel is purchased it is treated as a free channel and may be tuned directly. (col. 14, l. 40-42). Premium programs are not retrieved and transmitted at the request of the user. Rather programs are played on the premium channels at scheduled times. (col. 19, l. 63-64). The settop terminal of Johnson receives a number of channels assigned a variety of states, whether they are free, disabled, premium purchased or premium unpurchased. Johnson does not disclose any manner or method for changing the channels or the contents of the channel being sent to the settop terminal. Rather, Johnson allows a user to buy access to a premium channel, thereby authorizing the terminal to provide the signal to the television for display.

The claimed invention includes the limitation "wherein the subscriber interaction with the interactive process modifies the content of the signal capable of full motion video that gets received by the television input." The Examiner argues that the Johnson terminal satisfies the limitations of the home interface controller of Applicant's invention of claim 7. However, the content of full motion video signals received by the input of the terminal of Johnson are not modified in response to subscriber interaction as required by the claim. The same signals are sent out to all of the terminals in the Johnson system. The signals capable of full motion video are not modified by the users. While a user may

be able to interact with his terminal to change the content being displayed, there is no opportunity for the user in Johnson to alter the television signals being sent from the headend and received at the terminal.

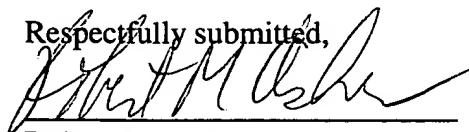
To the extent Johnson provides for interactivity, it is only with a data stream such as one for producing teletext or for providing information to allow display of a still screen. Interactive data communications are sent on a separate data carrier or within the horizontal or vertical intervals of transmitted video signals. (Johnson at col. 4, l. 36-46). These slim data carriers such as the horizontal or vertical intervals do not support full motion video. The full motion video television signal is not modified by the data communications taking place on these data carriers.

While Johnson may teach interaction with data in a signal that is not capable of full motion video such as a horizontal blanking or vertical blanking interval, Johnson does not teach subscriber interaction to modify "the content of the signal capable of full motion video that gets received by the television input." Interaction with and modification of a signal capable of full motion video bound for the input of the home interface controller is not taught by the cited reference.

Applicant reiterates its request to the examiner to provide an indication that the foreign patents and other publications, listed in the Information Disclosure Statement filed November 8, 2002 have all been considered. Additional copies were provided with the amendment of March 3, 2004. These include references labeled BJ-BS and ED-ES. Notice of full consideration of the prior art is respectfully solicited.

For all the foregoing reasons and those recited in the response filed February 28, Applicant submits the application is in condition for allowance and early notice to that effect is respectfully solicited.

Respectfully submitted,



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